

**TOP SECRET**

Approved For Release 2004/12/21 : CIA-RDP79T00975A003500360001-3

15 January 1958

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# CENTRAL INTELLIGENCE BULLETIN

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### DAILY BRIEF

#### I. THE COMMUNIST BLOC

Khrushchev's absence from Moscow for a short rest has been officially announced. He has not appeared in public since 2 January, although there have been several functions he would normally have attended. Khrushchev took a six-week vacation in early fall, and his present absence may have been caused by illness. [REDACTED]

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OK The Gomulka regime during 1958 will try to preserve its position within the Communist bloc and stay in power without returning to harsh Stalinist practices. Polish leaders have only limited confidence in the economic prospects for the coming year and they are determined to maintain an opening to the West, not only for material benefits, but also in the hope of using international recognition as a protection against Soviet encroachments. [REDACTED]

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## II. ASIA-AFRICA

The Syrian Communists have formally announced their support of Egyptian-Syrian union. They probably wish to forestall the creation of a new Syrian military regime which might order the suppression of Communist activity. [REDACTED]

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Two recent incidents along the Algerian-Tunisian border [REDACTED]

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6K [REDACTED] have further exacerbated Tunisian-French relations. [REDACTED]

In Ceylon, recent floods and strikes have so disrupted the delicately balanced agricultural economy that a political and economic crisis appears to be shaping up. Government inexperience and a lack of long-range economic planning will make it difficult for Prime Minister Bandaranaike to overcome his immediate problems. He will probably turn both to the West and to the Sino-Soviet bloc for increased economic aid and technical assistance. [REDACTED]

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### III. THE WEST

OK  
The French Government plans in 1958 to reduce its armed forces by approximately 154,000 from the present level of 1,044,000. This cut will seriously reduce France's already delinquent NATO contribution in Western Europe, since no considerable reduction is proposed for French forces in Algeria. [REDACTED]

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Neither Bonn nor London shows signs of compromising on Britain's demands for \$140,000,000 to defray deutschmark costs of British forces stationed in Germany during the year beginning 1 April. No further NATO consideration is now scheduled. London plans to reduce its forces in Germany to 55,000 even if German support costs are forthcoming and to 50,000 or below if not. [REDACTED]

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OK  
The Spanish minister of the army told General Maxwell Taylor on 9 January that joint Spanish-French military operations against the irregular Moroccan Army of Liberation, presumably in Spanish Sahara and Mauritania, will begin by February. A Spanish counteroffensive in Spanish Sahara was reported in the press to have begun on 11 January. The French will probably step up patrol activities in Mauritania in the near future. [REDACTED]

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## I. THE COMMUNIST BLOC

### Prospects for Poland in 1958

US Ambassador Beam believes that in 1958 the Gomulka regime will try to preserve its position within the Communist bloc, and consolidate its domestic control without returning to harsh Stalinist practices. The skill of Gomulka's success in maintaining domestic stability and his promise to strengthen the party have enhanced his stature in the Communist world, where he apparently is considered indispensable for handling the Polish situation. Although liberalization has been slowed, in part by developments within the bloc as a whole, he has preserved to an even greater extent than Tito the relaxation of security measures and some freedom of press and cultural activity.

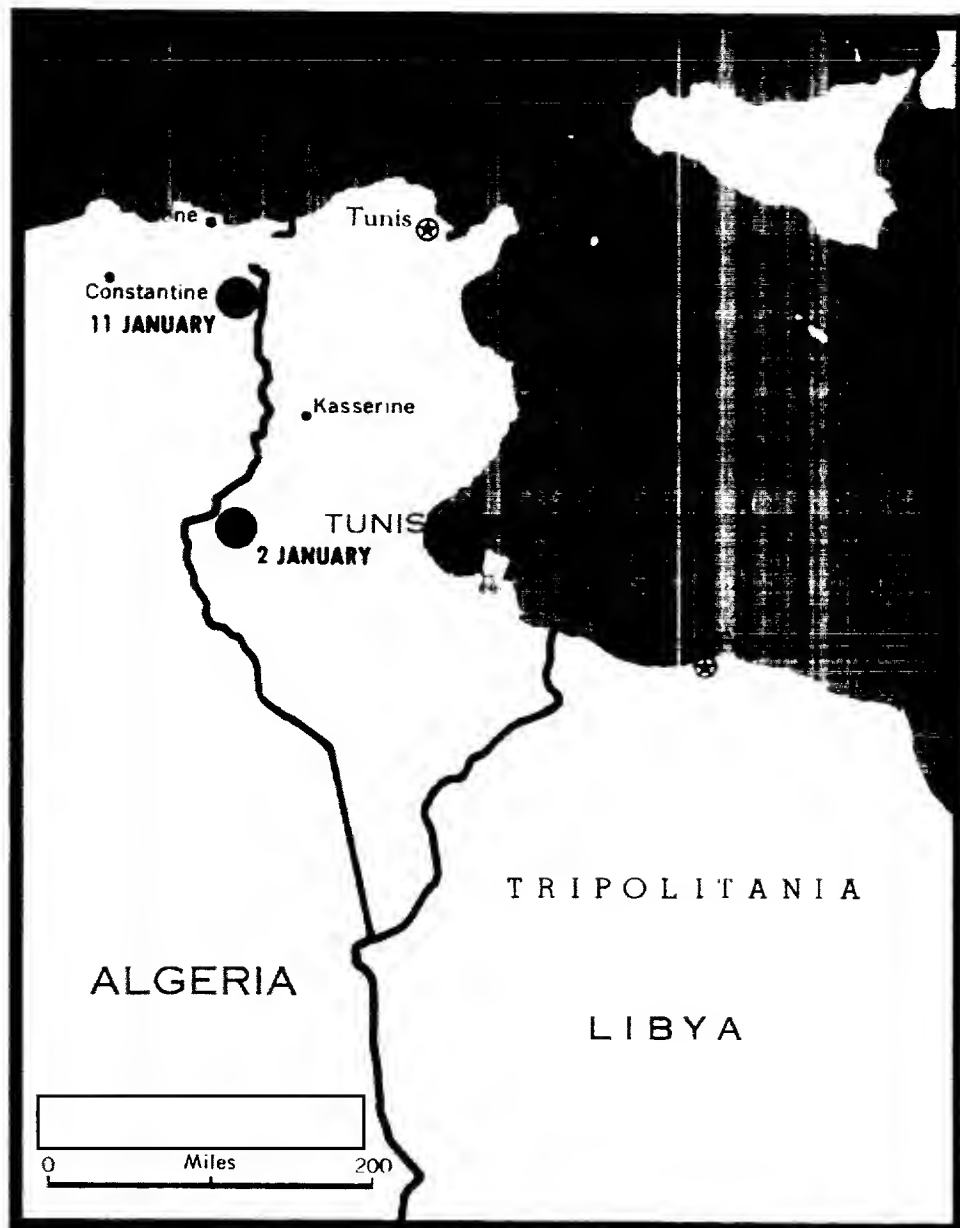
Polish leaders have only limited confidence in the economic prospects for 1958. Gomulka has compromised between the reluctance of conservative elements to undertake economic experiments and the desires of long-range economic planners for major reorganization and reorientation.

Ambassador Beam does not feel that Poland is completely subservient to the USSR in foreign affairs. Polish leaders are determined to maintain an opening to the West, not only for material benefits, but also in the hope of using international recognition as a protection against Soviet encroachments. Poland's Rapacki plan to ban nuclear arms in central Europe probably stemmed partly from a desire to avoid the increased Soviet military activity in Poland which might follow the stationing of nuclear missiles in West Germany.

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## II. ASIA-AFRICA

### New Complications in French-Tunisian Relations

French-Tunisian relations are deteriorating again as a result of recent incidents arising out of the Algerian rebellion. Public opinion in both countries has been aroused by mutual recriminations, imperiling the success of bilateral talks recently begun in Tunis.

French officials in Tunisia are said to view as "very serious" the 11 January incident along the Algerian-Tunisian border in which an Algerian rebel band allegedly attacked a French patrol operating in Algeria and then withdrew with five captives across the Tunisian border despite the presence of Tunisian National Guard units. Paris has filed a strong protest over the affair. A growing demand for French military countermeasures inside the Tunisian border is not likely to be allayed by Tunisia's insistence that no Algerians entered Tunisia after the clash and that its border controls have been effectively strengthened.

Information indicating that Syria is shipping a quantity of "heavy weapons" to the Algerian rebels across Tunisia will add to Premier Gaillard's growing difficulties with rightists in the confidence vote scheduled for 16 January.

Popular feeling in Tunisia is still running high over reports that on 2 January French troops from Algeria killed three Tunisians and kidnaped 12 others. President Bourguiba in his 9 January speech sharply criticized France and its position on the military questions under discussion between the two countries. These talks, according to Tunisian Foreign Minister Mokaddem, have now reached an impasse.

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### III. THE WEST

#### France Plans 15-Percent Cut in Armed Forces

The 15-percent reduction in military manpower proposed in the French draft defense budget for 1958, which the government will present to the National Assembly at an early date, will necessitate further cuts in France's already deficient NATO contribution in Western Europe.

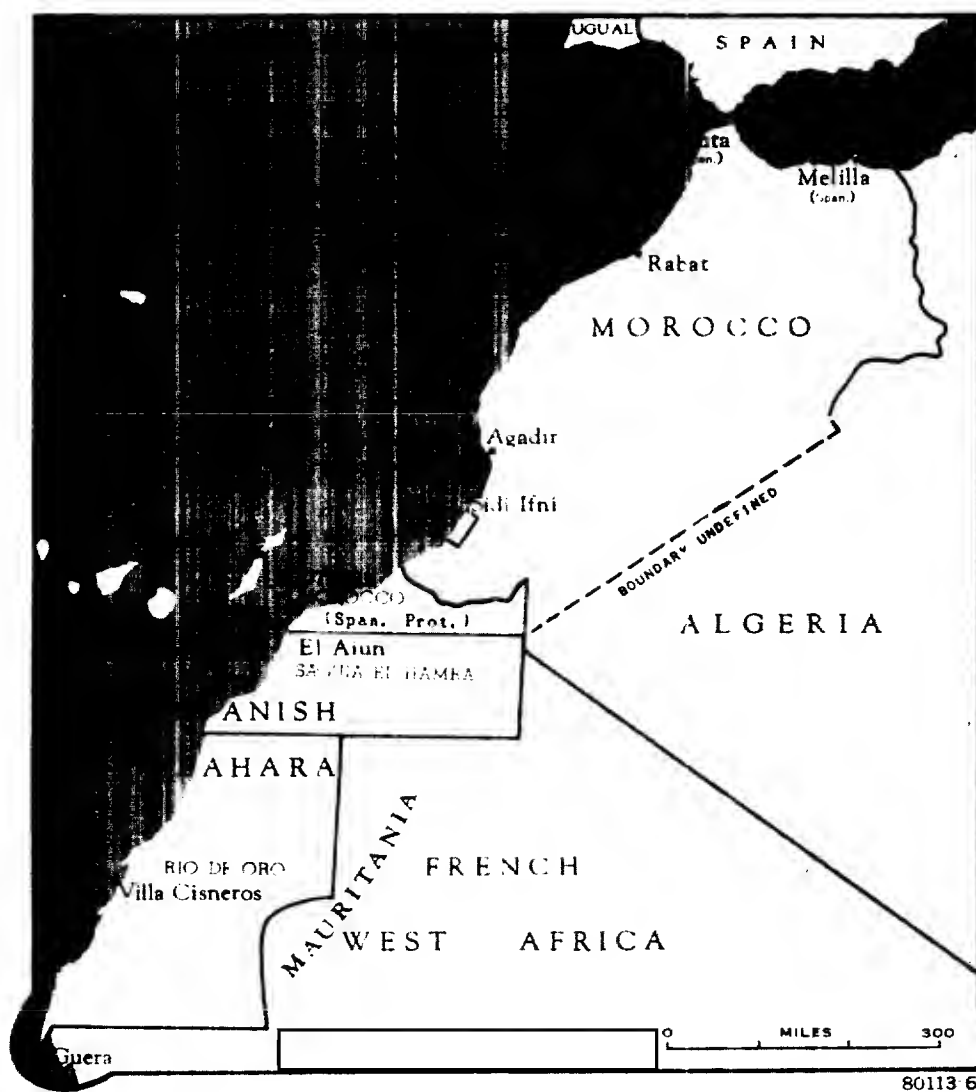
According to the semiofficial French Press Agency, total strength of the armed services by the end of this year will be cut 154,000 from the 1957 level of 1,044,000. Part of this cut may be achieved by releasing conscripts already serving beyond the 18-month statutory limit.

Forces in West Germany will be reduced by 19,781, approximately one third. Practically all the 11,356-man reduction in North Africa will come from Tunisia and Morocco. An estimated 480,000 French Army, Navy and Air Force personnel are currently tied up in the Algerian operations.

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Joint Spanish-French Military Operations in North  
Africa Planned

General Barroso, Spain's minister of the army, told General Maxwell Taylor on 9 January that joint Spanish-French military operations will begin by February against the irregular Moroccan Army of Liberation, presumably in Spanish Sahara and neighboring French Mauritania. A Spanish counteroffensive in Spanish Sahara began on 11 January, according to the press, and the French will probably step up patrol activities in Mauritania in the near future.

Following attacks by Moroccan irregulars in November in Ifni and Spanish Sahara, Spain withdrew its forces to five coastal defense perimeters in December. The French are concerned over the presence of Moroccan Army of Liberation bands in Mauritania and fear the consequences of a collapse of Spanish power in Spanish Sahara.

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The Spanish Navy expects to obtain from the French one LST and one LSD (landing ship dock). The LSD would be used to transport to Ifni 13 LCM's, recently provided under MAP. These, and possibly other LCM's provided by the French, would be manned by Spaniards and used only at Ifni, according to the Spanish Navy.

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